

**Minutes of the Special Meeting  
May 27, 2014**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 27<sup>th</sup> day of May, 2014.

Board Chair, Wayland Burton, called the meeting to order at 5:30 p.m.

Board members Deirdre Guion, Sharron Hunter-Rainey and Robert “Bob” Nauseef were present. General Manager Barry Sessoms and attorney George W. Miller, Jr. were also present. Perlie Davis, Support Services Director for Durham County ABC, Lee Keatts, Durham County ABC Finance Officer, Misty Walters, Operations Coordinator for Durham County ABC, Allyson Stevens, Human Resources Coordinator with Durham County ABC, Rufus Sales with Durham County ABC Law Enforcement, and appraiser Jarvis Martin with Martin & Company were also in attendance.

**Conflict of Interest Review and Declaration**

Chairman Burton read the Board’s Conflict of Interest Review and Declaration statement and asked Board members if they have an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does the Board member wish to recuse him or herself from deliberating and voting on the matter. All Board members present verbalized that they do not have any conflicts.

**Consent Items**

Consent agenda items included the Board Attendance Report, Adoption of Agenda and Minutes of April 22, 2014 Regular Board Meeting.

Dr. Guion motioned for the consent agenda items to be accepted. Dr. Hunter-Rainey seconded the motion and the Board approved without objection.

Chairman Burton requested consent of the Board to move agenda item “Other Business” to the second agenda item to allow appraiser Jarvis Martin to present to the Board as well as two DCABC employees. The Board approved without objection.

**General Business**

**Public Comment**

Chairman Burton stated that there are not any members of the public present this evening.

**Other Business**

**Holloway Street Properties – Eminent Domain Update**

Mr. Martin introduced himself to the Board and reported that he has continued to work for the Board in reviewing an appraisal report prepared by NC DOT regarding eminent domain of DCABC Holloway Street properties. In the past, he has reported to the Board along with Dan Jewell, landscape architect, on his findings and what may need to be done to make the Holloway Street properties functional after the taking by NC DOT. Mr. Martin has now received from attorney Miller the current sketches of the actual taking by NC DOT and he was asked to determine if what is now proposed was what was included in the original appraisal report.

Mr. Martin had difficulty deciphering the sketches due to the small print so he went to the Right of Way office and spoke with Ms. Williams, Right of Way Agent for this project. The only difference between the original appraisal report for the two parcels and the latest design of the right of way is slightly less land being taken, .03 acres. The acreage equates to 1,307 square feet and is 316 feet less than originally planned for the permanent utility easement and permanent drainage easement.

The Board had a general discussion regarding the reconfiguration of the Holloway Street store parking lot and impact of the loss of parking spaces including diminution of value of the neighboring lot. Mr. Martin explained that, after the taking, there will be a need for additional parking spaces from the neighboring and former store parking lot to satisfy zoning compliance. This may be accomplished by redesigning the site plan with the city to combine the two parcels.

Attorney Miller suggested to the Board that DCABC may not be in position to respond to the condemnation suit because the final design has not yet been approved. Additionally, damages are not being adequately addressed in the valuation and negotiations will be required.

Chairman Burton requested for the General Manager to meet with Mr. Martin to review the current files as well as the history of the condemnation lawsuits to be fully apprised on what has taken place to date.

#### **Introduction of DCABC Employees**

Ms. Walters introduced herself in her new role as Operations Coordinator although she has been with DCABC since 1995 in other capacities. Ms. Walters' responsibilities include a wide variety of store and warehouse operations overseeing and improvement implementation as well as acting as liaison between DCABC employees and the General Manager.

Ms. Stevens introduced herself as the Human Resources Coordinator which is a newly created position with DCABC. Ms. Stevens is new to the area and in transition of moving from Charlotte where she was Human Resources Director for a beverage distributor.

#### **Logo Bags**

The Board had a general discussion regarding the preliminary version of the product packaging bags including information provided on bags and formatting issues. Any comments from Board members will be submitted to the General Manager and the next proof will be e-mailed to Board members for approval.

#### **Law Enforcement Report for April 2014**

Mr. Sessoms reported to the Board on law enforcement activities for the month of April which included three alcohol education programs and five presentations to DCABC staff regarding responsible alcohol sales training. In addition, six law enforcement agencies were assisted by DCABC law enforcement, one of which was North Carolina Department of Revenue. DCABC law enforcement conducted forty-seven inspections and fourteen compliance checks in the month of April.

Mr. Sessoms also reported to the Board that in preparation of Mr. Sales joining the law enforcement police unit, new forms have been created to facilitate the tracking and documentation of inspections, compliance checks, violations and training. Increased inspections and documentation of violations

may be especially helpful in increasing mixed beverage sales as stricter enforcement will result in improved restaurant compliance.

The Board had a general discussion regarding the new forms for documentation of inspections and the inspection process and policy. Chairman Burton requested that all forms be submitted to the Board for review and approval at the next Board meeting so they may become part of the DCABC Personnel Policies Manual. Further discussion included the need for law enforcement policies to be put in place and additional time may be required for completion.

Mr. Sessoms reported to the Board that a form for DCABC vehicle tracking will also be submitted to the Board for review and approval for the purpose of tracking costs and mileage and determining truck running costs for delivery vehicles. There is a possibility that DCABC will begin delivering liquor to mixed beverage customers. Additionally, a delivery truck log will be useful in managing productivity.

### **Financial Reports for April 2014**

Mr. Keatts presented to the Board the summary of income statement results for the month of April noting that DCABC had the sixth highest sales in the state for the month and, of the neighboring and other ABC Boards that DCABC uses for comparison, DCABC had the second highest sales growth year over year for the month vs comparative counties.

Total sales for the month were \$2,433,530 which is an increase of 10.77% over last year and 9.98% over budget. Year-to-date sales were \$23,970,455 which is 6.17% over actual and 3.88% above budget.

Profit before distribution was \$222,304 for the month and \$2,217,026 year-to-date which is a 19% change over the same period last year and 18.72% increase over year-to-date last year.

After profit distributions, net income was \$137,474 for the month which is an increase of 9.65% over the same period last year. Year-to-date net income was \$1,375,440 which is an increase of 11.55% over last year.

### **2015 Budget Discussion**

Mr. Keatts reported to the Board that the preliminary budget will be sent to NC ABC Commission and County Commissioners by June 1. A minimum of ten days must lapse between the date of the public hearing and the date which the final budget is approved at the June regular monthly Board meeting. Once the budget is adopted, copies will be filed with NC ABC Commission and County Commissioners by July 1.

Mr. Keatts summarized the proposed budget stating that, based on store sales trends, sales for the FY2015 are projected at \$29,230,000 which is an increase of 1,414,000 over last year. In comparison of actual expected results to the proposed budget, an overall increase of \$500,000 is projected.

The Board had a general discussion regarding the FY2015 proposed budget as well as the profit distributions to the city and county and projected a 25% increase above statutory distribution requirements to the city and county.

The FY2015 proposed budget includes reserved funds for employee training whereas monies specifically for training were not budgeted in the past.

Chairman Burton discussed the possibility of Board members being issued iPads for receiving Board meeting agendas and facilitating other Board business in an effort to go paperless. He emphasized that proper training will be provided to Board members if the Board chooses to go forward with purchasing iPads.

### **Strategic Planning and General Manager's Report**

- **Thirty and Under ID Policy**  
Mr. Sessoms hired two young individuals, twenty-one and twenty-three years of age, to shop DCABC stores. Unfortunately, the success rate of requesting proper identification for the purchase of alcohol was only 75%. On four occasions out of sixteen, employees did not ask the hired "customers" to provide identification. Mr. Sessoms tested convenience and grocery stores using the same individuals to compare results and found that DCABC employees had a better success rate.

### **Additional Other Business**

- Chairman Burton reported on feedback received from the County Commissioners regarding outsourcing DCABC law enforcement. There are not any future plans for DCABC to outsource law enforcement.

### **Closed Business**

Dr. Hunter-Rainey motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) consult with attorney, (5) facility leases or purchases and (6) personnel matters. Dr. Guion seconded the motion and the Board approved without objection.

### **Regular Session (Resumed)**

The Board returned from Closed Session. The Board scheduled the public hearing on the proposed Budget Document for FY2014-2015 on June 2 beginning at 5:30 p.m.

The Board had a general discussion regarding fiscal year measures for implementation of the new salary increase structure for budgeting purposes.

By consensus of the Board members, the resignation and retirement of Interim Chief Whitfield as of December 15, 2014 was approved and accepted.

### **Adjournment**

Chairman Burton motioned to adjourn the meeting. The Board approved without objection.

Approved By: \_\_\_\_\_

  
Wayland Burton, Board Chair